



METROPOLITAN

UTILITIES DISTRICT

SERVING THE COMMUNITY • 1913-2013

Water

Using it wisely

Joel Christensen
Water Operations

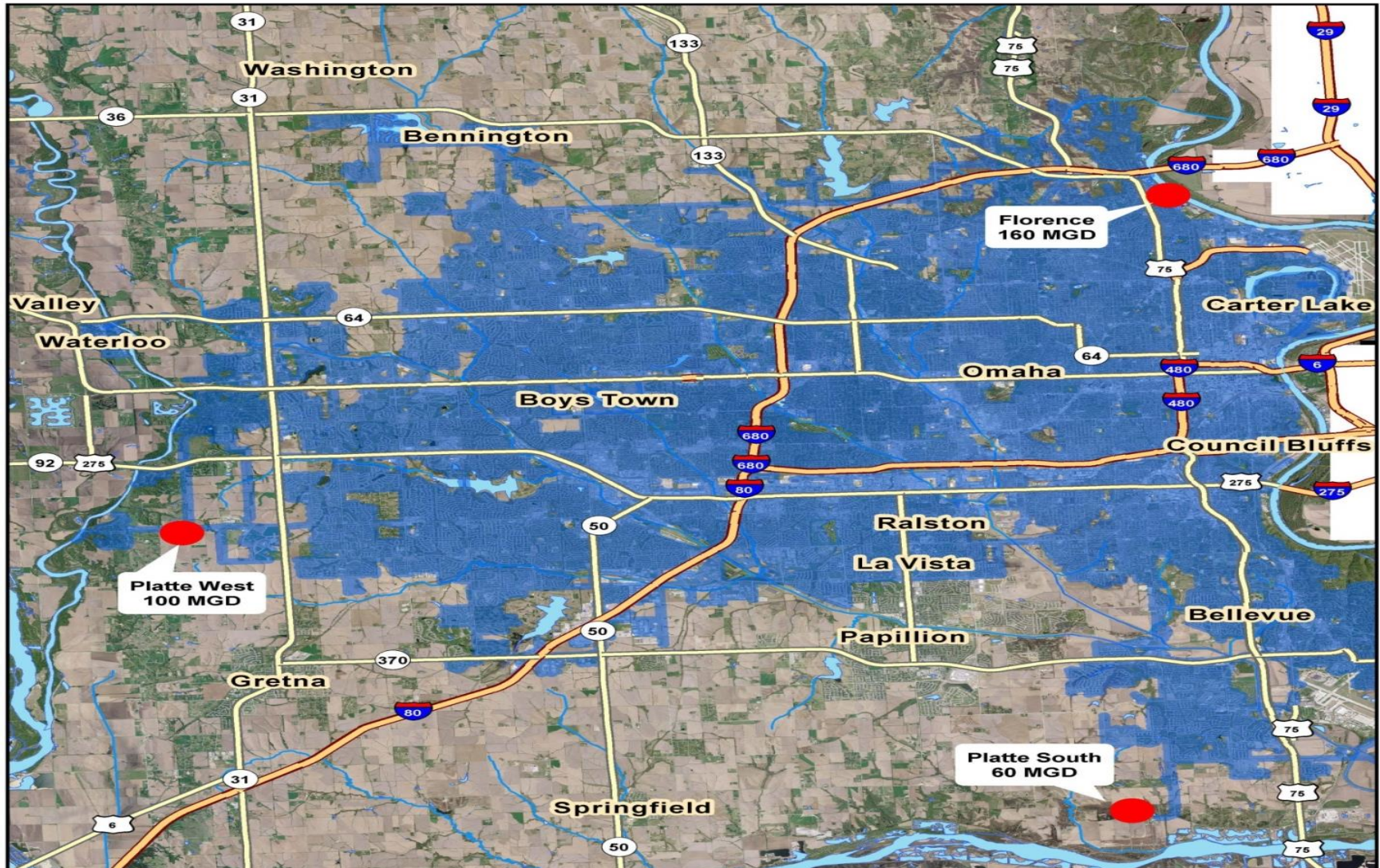
Rick Kubat
Government Relations Attorney

Metropolitan Utilities District

- Serving the domestic water needs of the roughly 600,000+ residents of the Omaha-metro area
 - Omaha, Bellevue, Bennington, Carter Lake, La Vista, Ralston, Waterloo, the Papio-Missouri Natural Resources District & Fort Calhoun
- Customer-owned gas and water public utility created by the Nebraska Legislature in July 1913
- Governed by a board of seven elected directors

M.U.D. Water Service Area

Triangle of Reliability



Agenda



1. Water Conservation Plan

- Rate Structure (Block Rates)
- Public Education
- Declining use per household

2. Financial Challenges

- Infrastructure Needs
- Financial Demands
- Regulatory & Environmental Concerns

Conservation Rate Structure

1979 – **Inclining Block Rates** – Gives our residential customers a *financial incentive* for *conservative water use* during the peak summer/early fall season

Commodity Charge: Per 100 Cubic Feet

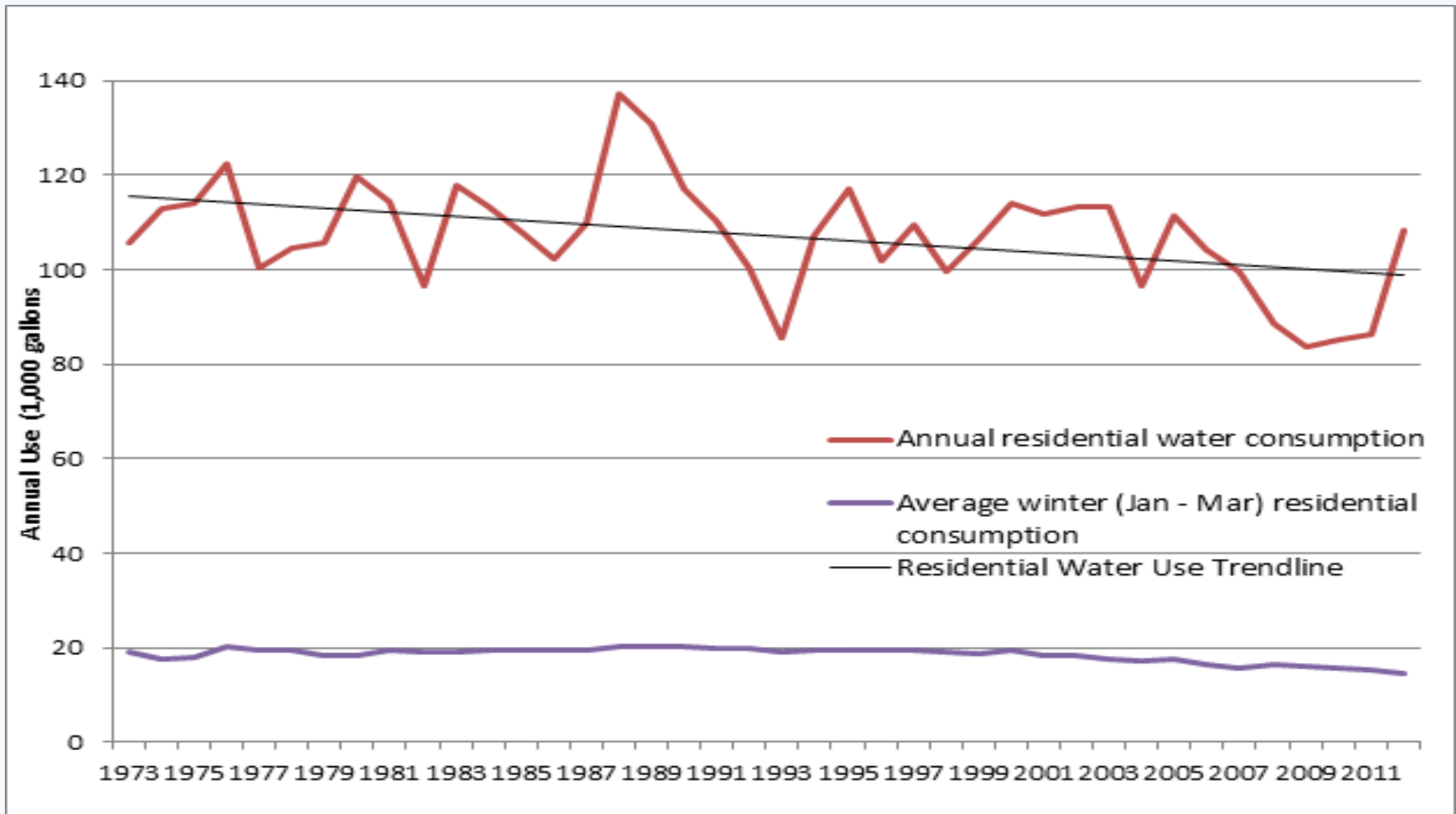
Consumption	Nov-May (\$)	Jun-Oct* (\$)
First 9 (6732 Gals)	1.0486	1.0486
Next 21 (15,708 Gals)	1.0486	1.4680
Over 30	1.0486	1.8875

Public Education: Promoting Water Conservation

- **Wise water use messages** on bill statements, newsletters and outdoor advertising
- **Water conservation tips** links on our website and social media
- **Billing Statements** – in 2004 provided rate payers with monthly number of gallons used
- **Employee Speakers Bureau** water and energy conservation presentations
 - Annually reaches 200,000 members of the community
 - Includes: events, civic groups, schools, & plant tours

Declining Use Per Household

- BLOCK RATES – LOW FLOW – PUBLIC ED.



Financial Challenges

1. COSTLY INFRASTRUCTURE

- Florence Renovation, Water Infrastructure Replacement, Combined Sewer Overflow

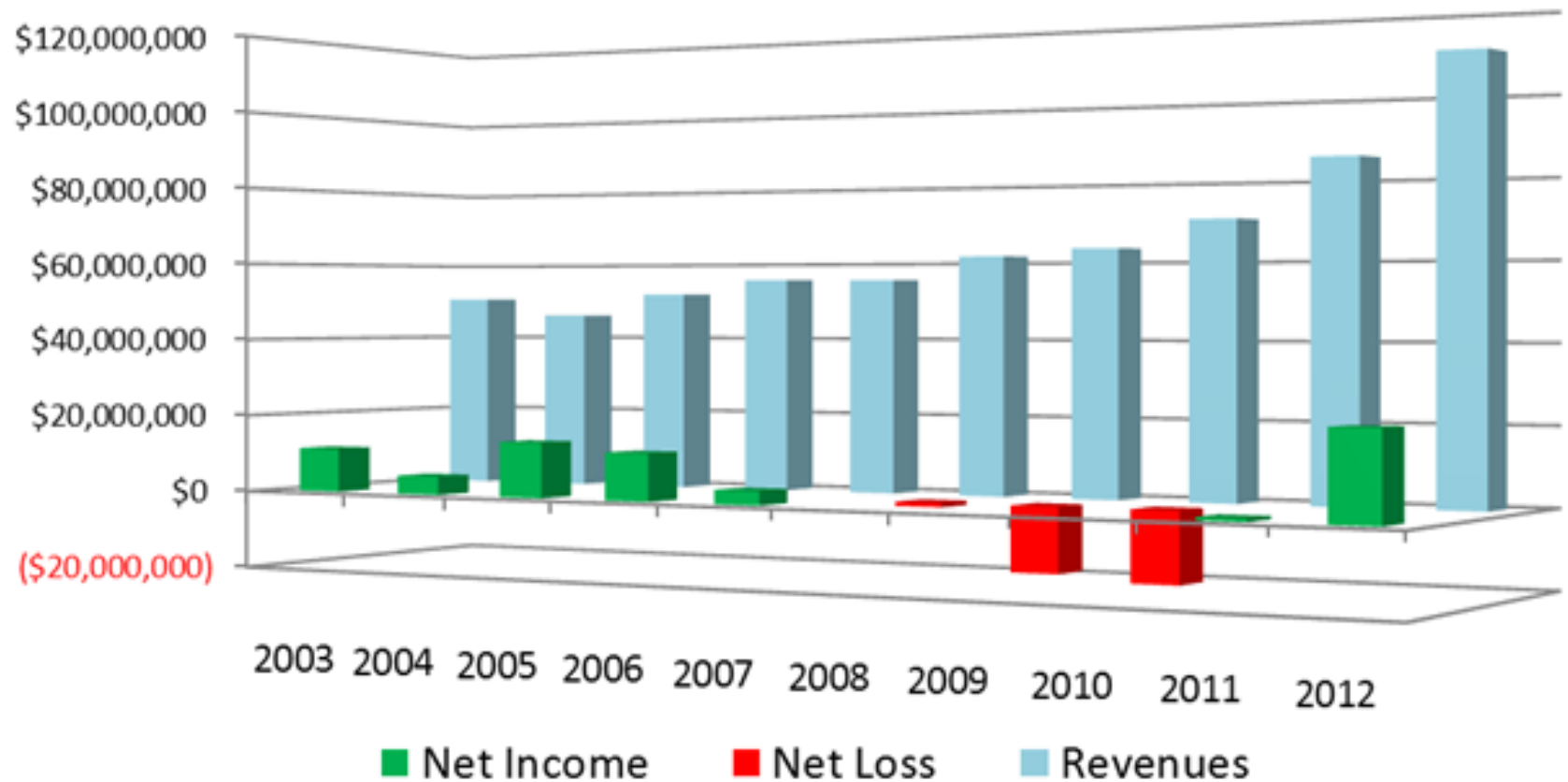
2. REGULATORY AND ENVIRONMENTAL COSTS

- Residual Discharge - Lime
- Assuring an adequate water supply for irrigators & domestic water users

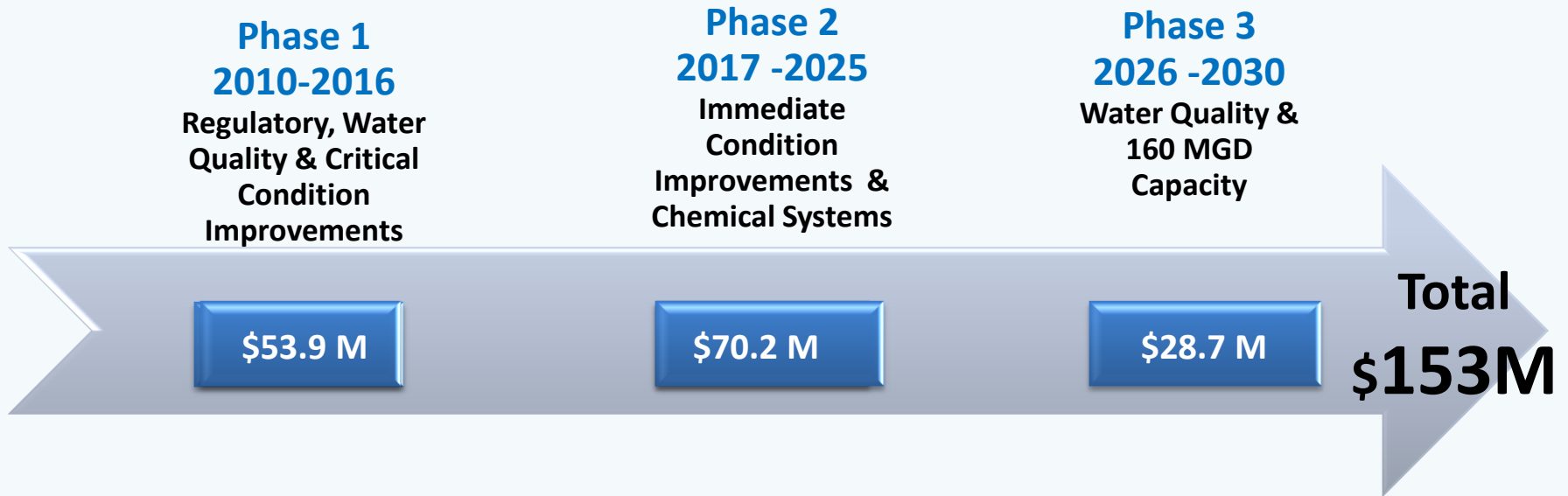
3. FINANCIAL DEMANDS

- Long Term Financing
- Customer Rates

Water Department Revenues vs. Net Income (Loss)



Renovation of Florence Water Treatment Plant



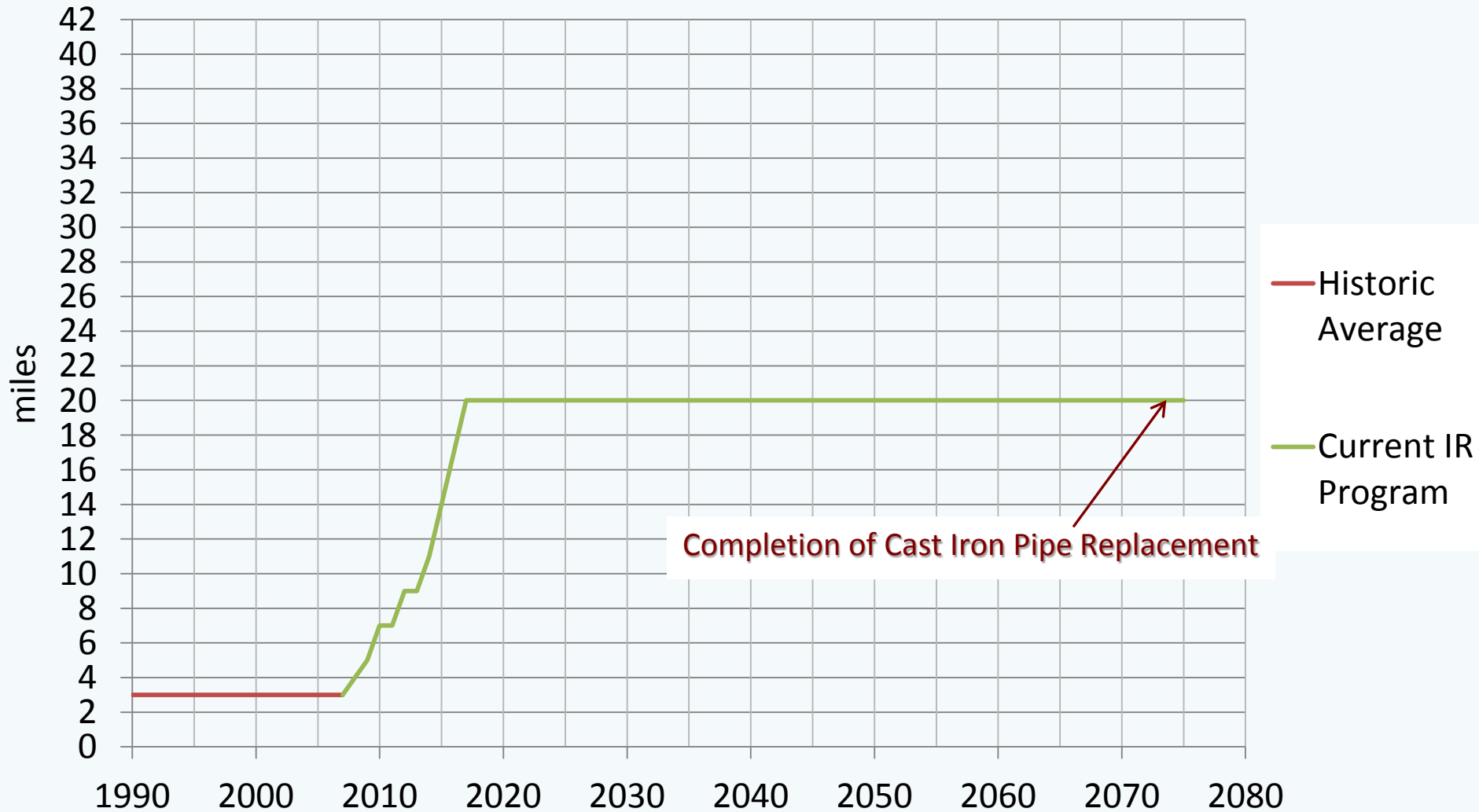
- \$40.7 Million in 20 year bonds to finance Phase 1
- Long term financing & rates to finance Phase 2 & 3

Water Infrastructure Program

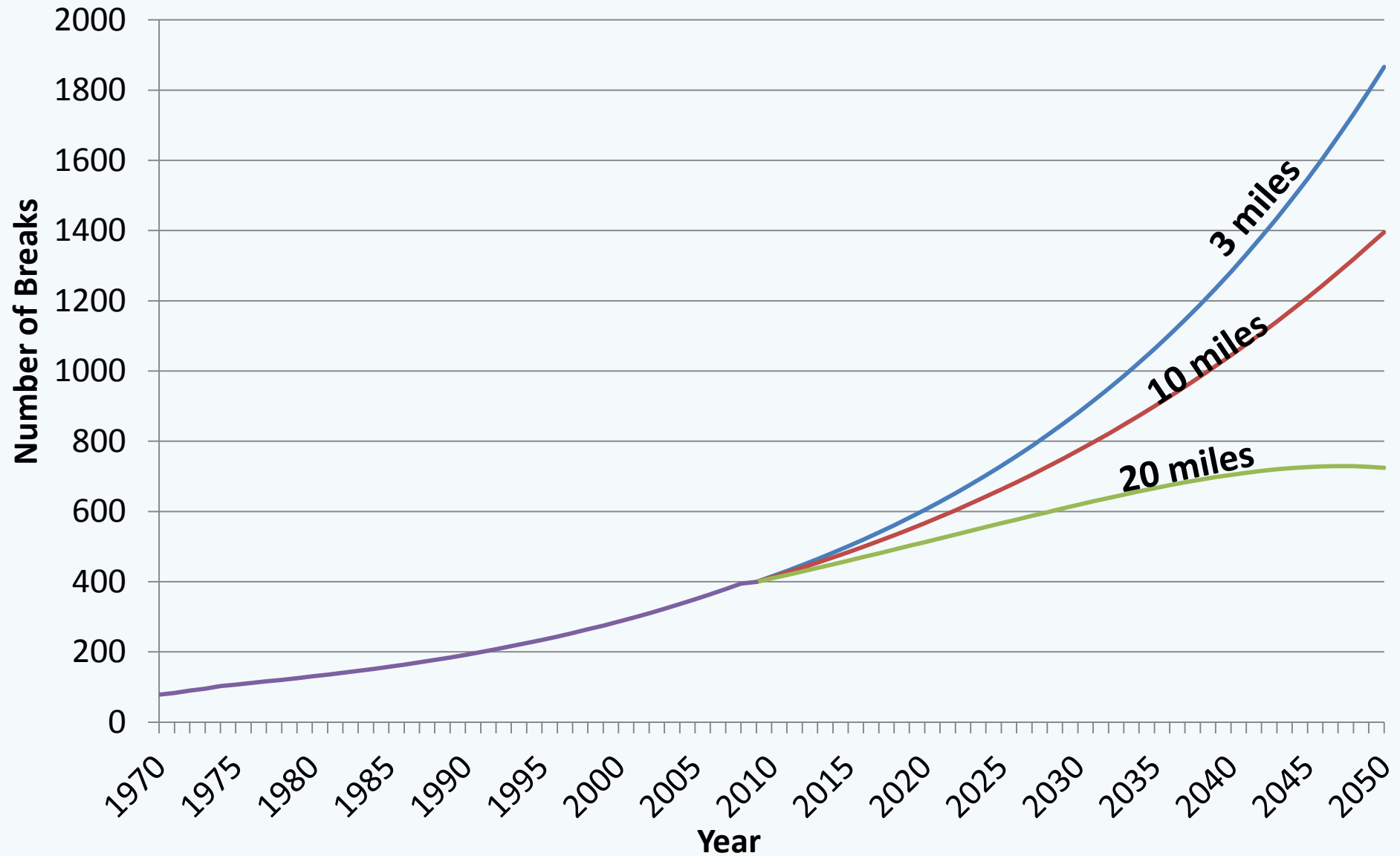
A large, rusted, and broken cast iron pipe lies on the ground at a construction site. The pipe is heavily corroded and has a large section missing, revealing its hollow interior. In the background, several orange and white traffic cones are visible, along with a concrete wall and some construction equipment. The scene is set outdoors on a dirt and gravel surface.

- Expected to spend \$958 million through 2075 replacing old brittle cast iron pipes
- Prior to 2008, 3 miles of pipe was replaced each year
- In 2012, 9 miles were replaced
- Starting in 2017, 20 miles per year will need to be replaced until 2075

Annual CI Water Main Abandonments



Water Main Breaks



Water Infrastructure Replacement Charge

Monthly WIR Charge	2008-2009	2010	2011-2013
Residential	\$2	\$3	\$4
Commercial	\$10	\$17	\$22
Industrial	\$375	\$500	\$500

\$13.5 M in estimated WIR revenue in 2012.

Gas Infrastructure Replacement Charge

2013 Monthly GIR Charge	
Residential Service	\$3
Commercial Service	\$23
Industrial Service	\$300

\$12.5 M in estimated GIR revenue in 2012.



Water & Gas Infrastructure + Combined Sewer Overflow Fees

Account: 385611-1271233

1723 Harney St • Omaha, NE 68102 • 402.554.6666
e-mail: customer_service@mudomaha.com • website: www.mudomaha.com

METROPOLITAN
UTILITIES DISTRICT

Share the warmth and make a difference.
Visit www.heartlandwalkforwarmth.org and make a tax-deductible donation. Your gift will help neighbors in need pay their heating bills.

Billing date Feb 15, 2013
Previous balance \$200.68
Payment received -Thank you 200.68 CR
Current charges 178.92
New balance 178.92
▶ **Total due Mar 5, 2013 \$178.92**
If payment is received after due date, a late fee will be assessed on gas and water charges.

Details of current charges:

GAS RESIDENTIAL RATE A: Jan 10 to Feb 9
Meter Number 312157
Current read (actual): 3798 - Previous read (estimate): 3680 = 118 CCF
Gas Use: 118 CCF x 1.037 (heat value) = 122.366 therms
8 days 32.631 therms at 0.5123 = \$16.72
22 days 89.735 therms at 0.5088 = 45.66
Service Charge 14.00
Gas Cost ▶ \$76.38
Gas Infrastructure Replacement 3.00

WATER RESIDENTIAL RATE W-1: Jan 10 to Feb 9
Meter Number 97118806 Size: 5/8-inch
Current read (actual): 1690 - Previous read (estimate): 1670 = 20 CCF
Water Use: 20.000 CCF or 14,960 gallons
20.000 CCF at 1.0700 = \$21.40
Service Charge 11.31
Water Cost ▶ \$32.71
Water Infrastructure Replacement 4.00
City of Omaha Sewer 51.12
Sales Tax 11.71
▶ Current Charges \$178.92

Your Gas Use
Bar chart showing gas use in CCF for the past 12 months (Mar to Feb) and the past 13-24 months. The y-axis ranges from 0 to 650. The x-axis shows months from Mar to Feb. The past 12 months are shown in dark grey, and the past 13-24 months are shown in light grey.

Billing units: This Month 122 Last Year 217
Use per day: 4.1 6.8
Average cost per day: \$2.79 \$4.11
Number of days in billing cycle: 30 32

Your Water Use
Bar chart showing water use in CCF for the past 12 months (Mar to Feb) and the past 13-24 months. The y-axis ranges from 0 to 20. The x-axis shows months from Mar to Feb. The past 12 months are shown in dark grey, and the past 13-24 months are shown in light grey.

Billing units: This Month 20 Last Year 6
Use per day: 0.7 0.2
Average cost per day: \$1.30 \$0.69
Number of days in billing cycle: 30 32

Please return this portion of the bill with payment. • Please do not staple payment to bill.
e-mail: customer_service@mudomaha.com
website: www.mudomaha.com

METROPOLITAN
UTILITIES DISTRICT
6850 0010 MR RP 15 02162013 YNNNNY 01 007050 0018
1723 Harney St • Omaha, NE 68102
MAUREEN E. KUBAT
8222 CASTELAR ST
OMAHA NE 68124-2237

00038561112712330000000178923

Due on or before Mar 5: \$178.92
If payment is received after due date, a late fee will be assessed on gas and water charges.
Amount Paid: _____

METROPOLITAN UTILITIES DISTRICT
PO BOX 3600
OMAHA NE 68103-0600

☐ Check box and indicate change of mailing address or telephone numbers on the reverse side.

Give to the Heat Aid Fund. See www.mudomaha.com.
Monthly donation -- Add: ☐ \$2 ☐ \$3 ☐ \$5 Other \$ _____

Account: 385611-1271233

Regulatory Challenges

- The Environmental Protection Agency (EPA) delegates authority to the states to enforce the Clean Water Act & the Safe Drinking Water Act (SDWA)
- The District currently discharges byproducts (lime) into the Missouri River
 - Recent study shows negligible environmental impact
 - Potential cost of 130+ million dollars
 - Regional Issue
- Potential SDWA changes due to regulatory changes
 - Cryptosporidium inactivation

Environmental Concerns:

Assuring an adequate stream flow in the Platte River

Significant Investment - Platte West Water Treatment Plant

- Constructed in 2006 at a cost of \$253 Million
- In 2006, \$196 Million in 25 year bonds issued
- **\$174 Million in outstanding bonds remain**
- Ensures a reliable water supply for several municipalities
- Platte West is imperative for continued economic development in Western Douglas and Sarpy Counties

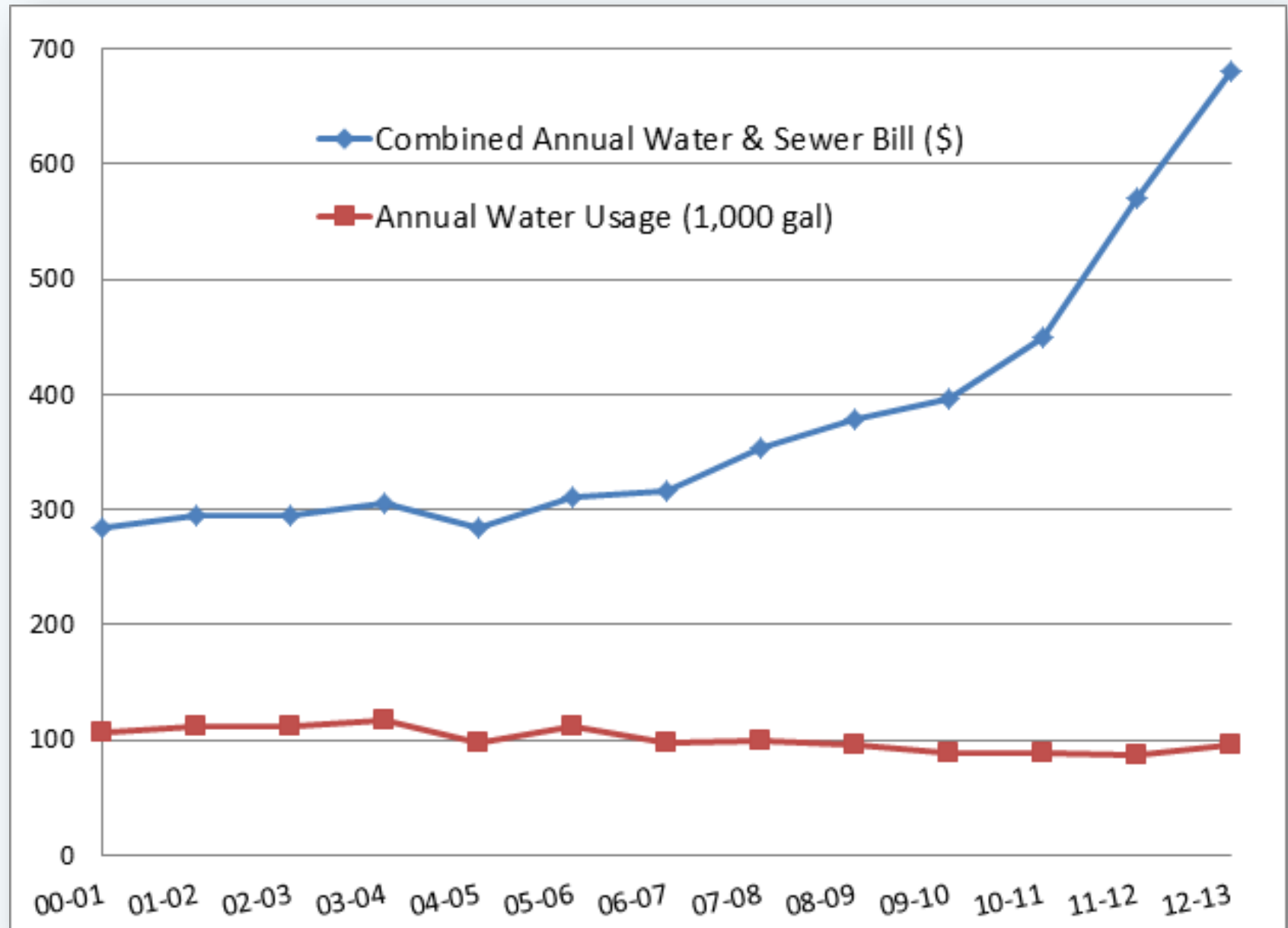
Reliable Water Supply – The Lower Platte River serves several municipalities, irrigators and in-stream flow environmental needs

Financial Summary:

Paid for through rate increases and long term financing

- Water Infrastructure Replacement – 62 year program at an estimated cost of **\$958 million**
- Combined Sewer Overflow (CSO) – 15 year plan at an estimated cost of **\$2 billion** (City of Omaha)
- Florence Water Treatment Plant -20 year **\$153 million** project.
- Platte West – outstanding 18 years left on 20 year bond for **\$174 million**
- Potential treatment or discharge costs due to regulatory changes

Residential Financial Burden



Water

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Water Operations

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